

UNAPPROVED

VIRGINIA RACING COMMISSION

MINUTES

OF THE

COMMISSION MEETING

April 17, 2007

STATE CORPORATION COMMISSION
TYLER BUILDING, COURTROOM C
1300 EAST MAIN STREET
RICHMOND, VIRGINIA

In Attendance

Commission Members:

Peter C. Burnett, Chairman
Mark Brown
William "Trip" Ferguson
David C. Reynolds
I. Clinton Miller

Commission Staff:

Stanley K. Bowker, Executive Secretary
Kimberly M. Carter, Office Administrator
David Lermond, Jr., Director of Pari-Mutuels
Joseph Roney, Director of Operations & Enforcement
C. Richard Harden, DVM, Commission Veterinarian

Attorney General's Office:

Amy K. Dilworth

At 10:00 a.m., Chairman Burnett called the regular monthly meeting of the Commission to order.

The minutes of the March 21, 2007 meeting were approved.

During Commissioners' Comments, Chairman Burnett stated that, "our hearts go out to those families that were affected by the tragedy of Virginia Tech".

Commissioner Ferguson complimented everyone involved in the Strawberry Hill races held at Colonial Downs the previous weekend. While the event is sponsored by the State Fair organization, he said he thought all of the Colonial Downs staff did a great job with the facility.

Commissioner Reynolds, Chairman of the Marketing and Promotion Committee, introduced Michael Mulvihill, President of CRT/tanaka who provided an update on the marketing activities to date. He stated that a media kit had been completed and they were ready to sit down with individual editors of various state and local newspapers along with radio and television stations.

Mr. Mulvihill added the Equine Ambassadors' program will be launched in early May with three summits for training scheduled throughout the state. The corporate outreach program and educational plan for 2008 also was explained.

Committee Chairman Reynolds requested and a motion was made, seconded and unanimously passed a grant not to exceed \$2,500 for the Commission to host business and community leaders at this year's \$750,000 Colonial Cup on June 16 at Colonial Downs.

Acting on the recommendation from Mr. Bowker, the Commission approved Colonial Downs' May simulcasting schedule.

Acting on the recommendation of Mr. Bowker, the Commission approved the list of racing officials for Colonial Downs for the 2007 Thoroughbred race meet.

Acting on the recommendation of Mr. Bowker, the Commission approved Mr. Bowker, William Passmore and Jean Chalk as the Thoroughbred Stewards for 2007. In addition, Richard Kinsey, Adam Campola and Phillip Grove were approved as Alternate Stewards.

Colonial Downs Vice President and General Manager Iain Woolnough reported that Strawberry Hill was over and that the work would begin shortly on changing over the racing surface for the Thoroughbred meet. The base will be leveled, graded and cushion material added to the racing surface.

Colonial Downs President Ian Stewart said that marketing details are being firmed up and staff would be meeting with the Lefler Agency of Baltimore to finalize the advertising plans.

Commissioner Brown reported that the Standardbred Breeders Fund Committee had met and is recommending a number of changes in the regulations for 2007. The proposed regulations can be in place before the start of live harness racing in September. After considerable discussion, it was moved, seconded and unanimously approved to make the changes in regulation 11 VAC 10-130-10 as proposed.

The next meeting of the Commission is scheduled for Tuesday, May 15, 2007.

There being no further business, the monthly meeting was adjourned.

Prior to the regular monthly meeting, an informal fact-finding conference was held on the application for a Virginia advance deposit account wagering license for Churchill Downs Technology Initiatives Company, d/b/a as Twin Spires.

Brad Blackwell, Executive Vice President and General Counsel for Twins Spires, outlined his company's plans for account wagering.

Following the presentation and questions from the Commissioners, Chairman Burnett made the following motion:

"In accordance with the provisions of Section 2.2-3711 (A)(7) of the Code of Virginia, I move that the Commission go into closed meeting for the purpose of consultation with legal counsel and briefings by staff members or consultants pertaining to actual or probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Commission, and consultation with legal counsel employed or retained by the Commission regarding specific legal matters requiring the provision of legal advice by such counsel specifically the application of Churchill Downs Technology Initiatives for an advance deposit account wagering license.

The motion was seconded and was unanimously approved.

Coming out of closed meeting, Chairman Brown offered the following motion:

"Whereas, the Virginia Racing Commission has convened a closed meeting on this date pursuant to an affirmative recorded vote in accordance with the provisions of The Virginia Freedom of Information Act; and whereas, Section 2.2-3712 of the Code of Virginia requires a certification by this Commission that such closed meeting was conducted in conformity with Virginia law;

"Now, therefore, be it resolved, that the Virginia Racing Commission certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered by the Commission in the closed meeting."

The motion was seconded and the vote was as follows: Brown, aye; Ferguson, aye; Reynolds, aye; Miller, aye; and Chairman Burnett, aye.

A motion was made, seconded and unanimously approved to grant a Virginia advance deposit account wagering license to Churchill Downs Technology Initiative, Company subject to conditions 1-7 as outlined in the Staff Report dated April 10, 2007. In addition the Executive Secretary was authorized to issue the license when he received the signed account wagering services agreement.